

US EXECUTIVE APPROVAL FORM**Lesaffre Yeast Corp – Red Star Yeast****HQAPP Requests:**

1. Support Flat years 2 & 3 not to exceed 4% in years 4 & 5
2. 50% discount eBusiness Suite (old model), 80% Discount on Advanced Planning and Demand Planning (See justification)

TIER 1 Requests:

1. 3-year price hold at: 50% discount for eBusiness Suite (old model), 80% discount on Advanced Planning and Demand Planning, 50% discount on Technology, 70% discount on Manufacturing Scheduling. Note: price hold discounts match the deal discounts for all apps products, Technology price hold will be limited to 50% discount (vs. 70% discount on up front deal)
2. 70% Discount Technology and Manufacturing Scheduling

Deal Summary:

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Programs	Database EE, 9IAS, IDS, Discoverer, ebusiness Suite, Advanced Supply Chain, Demand Planning, Manufacturing Scheduling
License Discount	50% (ebiz + 30%) ebusiness Suite 70% (ebiz + 50%) Database, 9IAS, IDS, Discoverer, Manufacturing Scheduling 80% (ebiz + 60%) Advanced Supply Chain, Demand Planning
Support Discount	50% (ebiz + 30%) ebusiness Suite 70% (ebiz + 50%) Database, 9IAS, IDS, Discoverer, Manufacturing Scheduling 80% (ebiz + 60%) Advanced Supply Chain, Demand Planning
Support Options/Holds	0% cap for years 2 & 3, cap not to exceed 4% in yrs 4 & 5
Price Holds	3-year price hold at: 50% discount for eBusiness Suite (old model), 80% discount on Advanced Planning and Demand Planning, 50% discount on Technology, 70% discount on Manufacturing Scheduling. Note: price hold discounts match the deal discounts for all apps products, Technology price hold will be limited to 50% discount (vs. 70% discount on up front deal)
List License	\$884,750
List Support	\$194,645
Net License	\$306,285
Net Support	\$67,382.70
Net Total Price	\$373,667.70
Price List Used	7-March-2003

Justification:

This is an EBS deal that has been presented to the customer over 3 months ago based on our old pricing model. This is an extremely competitive deal vs. SAP. Manufacturing team favors SAP, Financial team favors Oracle. President of Lesaffre intends to bring two additional divisions onto system 3 – 5 years out and demands a predictable cost structure. Additionally the parent company in France will deploy the application if the US is successful. The Parent company is significantly larger than the US entity. Information from the selection consultant (Oracle Friendly), which has been validated by a person who just left the SAP reseller indicates: Reseller providing 3 year price hold, Reseller providing COGS allowing growth to 500M before Lesaffre incurs additional charges **This is why we are asking to increase

discount on Supply Chain and Demand Planning. Reseller has fixed bid the implementation – This has the customer believing the TCO over 5 years will be close to equal.

There is an underlying concern within the selection team in regards to dealing with SAP and if we can meet the requested terms we believe we will win this business.

****If we are selected, the client is very interested in hosting which they will negotiate to close in Q4.**

Recommendation:

Is deal with Lesaffre or local company Red Star Yeast? Need to know that French team is OK with these discounts. Assuming they are, then approve.

Submitted By: Mike Miller, ASM. John Boucher, AVP.

R: 05/01/03

C: 05/01/03

L: 05/01/03

A: 05/01/03

BP: swong